

Appendix 5

Matching Share Requirement

Introduction

As set forth in the Education Code Section 17705.5, project funding under the State School Building Lease-Purchase Program, districts must contribute a local matching share of the project costs. This share is referred to as the “matching share requirement”.

Calculation of the Match

The matching share requirement is based on what the district “could legally collect” in developer fees. The calculation is based on the maximum rate the district could collect multiplied by the square footage of building permits issued during the “match period”.

Match Period

The “match period” begins when the SAB first approves the district’s application for State funding, after December 31, 1986, and ends when the “notice of completion” for that same project is filed with the appropriate County Recorder’s office.

Applications Subject to the Match

The following applications are subject to the matching share requirement:

- New Construction
- Advanced Site and/or Plans projects approved for Phase II *prior* to January 1, 1987 will be subject at the Phase III apportionment.
- Advance Site and/or Plans projects begin on the January 1 following the October CBEDS based enrollment projection that justifies the project on a three and four year basis.
- Modernization
- Reconstruction

Applications Exempt from the Match

The following applications are exempt from the matching share requirement:

- 50/50 projects
- Advance Planning Loans
- Cost Sharing
- New Construction or Reconstruction projects approved for Phase II apportionment for working drawings and site acquisition (when applicable) *prior* to January 1, 1987 are exempt.

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Appendix Items

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Calculating the Matching Share

Introduction

For a building permit issued during the match period, the district must first decide if the permit is for residential, commercial or industrial development.

Type of Development Permit

The following describes the type of development a building permit is issued for:

DEVELOPMENT	DESCRIPTION
Residential	Manufactured or mobilehome <ul style="list-style-type: none"> The habitable space of a new unit which is being located on a space which has never been previously occupied.
	All other residential <ul style="list-style-type: none"> The habitable space of a new structure on a site never occupied by a structure. The habitable space of a new structure on a site previously occupied by a structure, excluding replacement structures. The <i>additional</i> habitable space added to an existing structure. The new habitable area that is the result of reconstruction/remodeling of an existing structure.
Commercial/Industrial	<ul style="list-style-type: none"> The covered or enclosed space of a new structure on a site which has never been occupied by a structure. The covered or enclosed space of a new structure on a site which was occupied by a structure (exclude replacement structures). The <i>additional</i> covered or enclosed space added to an existing structure. The new covered or enclosed space that is the result of reconstruction or remodeling of an existing structure.

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Calculation

When the permit is determined to be subject to the matching share, the calculation can be completed as follows:

TYPE OF PERMIT	ALLOWANCE PER SQUARE FOOT
Residential	\$1.65
Commercial/Industrial	0.27

Note: The \$1.65 and the \$0.27 amounts are the maximum fees set forth in Government Code Section 65995(b) and will be adjusted for inflation at the regular January SAB meeting utilizing the Class "B" construction index in effect at that time. ☺

Reductions in the Maximum Fee

Reduction Provisions

Reductions in the maximum fee are allowed under the following provisions:

PROVISION A
For all permits issued during the match period but prior to March 1, 1987, the match shall be equal to the actual fee collected. This was an SAB policy to allow a "grace period" of up to 60 days to provide adequate time for the district to implement the developer fee authorized by Government Code Section 53080.
PROVISION B
For permits issued during the match period that were include in a contract entered into between a subdivider or builder and a district, city, county or city and county prior to January 1, 1987, the match calculation will be base on the amount specified in the contract.
PROVISION C
For permits issued during the match period that were included in a development project for which the final map was approved and construction commenced prior to September 2, 1986, the match calculation will be based on the fee amount specified in any local ordinance in existence on that date and applicable to that project. If the ordinance specifies \$0.30, then that shall be the match, and so on. If there is no ordinance, the match is zero. For purposes of defining the start of construction on the development project, the SAB shall honor the district's determination as to matching share exclusions under this provisions provided that such determinations are consistently applied both during and outside the match period.

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**Reduction Provisions,
continued**

PROVISION D
<p>If the maximum fee which could be levied does not bear a reasonable relationship to the needs of the district, the district must prepare a finding of impact which supports a lesser fee or no fee at all. The finding must demonstrate that the following factors was made and could not support the maximum fee:</p> <ul style="list-style-type: none">• an examination of overcrowding within the district;• an examination of the extent to which the overcrowding impairs the normal functioning of the educational programs due to a lack of student capacity as determined by the governing board, or because existing school facilities are in need of reconstruction;• an examination of the relationship of the development project to the conditions of overcrowding; and• an examination of the relationship (or lack thereof) between any fee assessed and the requirement for construction or rehabilitation projects for school facilities caused by the development project.

In the case of a justified reduction, the match shall be the maximum fee which could have been collected under Government Code Section

Summation of the Match Requirement

Maximum Match

53080. ☺

The maximum matching share requirement for those permits which are issued during the match period is as follows:

- For all permits issued prior to March 1, 1987, the match is the actual fee collected.
- For residential permits issued after February 28, 1987, the match is the actual fee collected or the maximum fee collectable under Government Code 53080. Exclude those subject to prior contracts or ordinance.
- For commercial/industrial permits issued after March 28, 1987, the match is the actual fee collected. Exclude those permits subject to prior contracts or ordinances.
- For residential or commercial/industrial permits issued after February 28, 1987, that were included in a contract made prior to January 1, 1987, the match is the actual fee collected pursuant to that contract.
- For residential or commercial/industrial permits issued after February that were included in a development project where the final map was approved and construction commenced prior to September 2, 1986, the match is the amount specified in the ordinance.

State Share/District Share

- For those permits where the district could not legally collect the maximum fee, the match is the actual fee legally collectable.

The maximum matching share requirement as calculated above, less any eligible deductions, is then applied to reduce the State apportionment of the project(s) which are subject to the match requirement. The actual district match for a project or series of projects subject to the match is the lesser of the maximum matching share requirement, less eligible deductions, or the total of the building cost portions of *all* the projects subject to the match during the match period. In other words, the match will never exceed the total of the building cost portions of the projects subject to the match requirement. The building cost portion of the project is the building allowance, less any final savings in the bid.

Contributing the Match

Introduction

Estimates of both the matching share requirement and the building allowance will be utilized until the project is completed. ☺

Required Documents

The district must declare how it intends to contribute the matching share requirement via the *Form SAB 512, Estimation of District Match Contribution*. Basically, the contribution of the match is accomplished by cash or loan.

The district must report <i>quarterly</i> match information. The following documents are used for this purpose:	
<input type="checkbox"/> DOCUMENT NUMBER	DOCUMENT NAME
<input type="checkbox"/> SAB 505	District Match Share Contribution Report (initiates reporting)
<input type="checkbox"/> SAB 505A	Interim Housing Cost Worksheet (as applicable)
<input type="checkbox"/> SAB 505B	30 Percent Relocatable Requirement (as applicable)
<input type="checkbox"/> SAB 505C	Certification of Prior Contractual Obligation (as applicable)
<input type="checkbox"/> SAB 505W	Match Interim Housing Eligibility Worksheet (annually)

Match Review

SAB 185 Certification of County Superintendent of Schools to State Allocation Board Regarding the Deposit of District Funds (as requested by the OLA)

Match Application

The Match Unit of the OLA reviews all reports and records amounts reported. The Match Unit also reviews all apportionments to determine when match can be applied. All Phase II and Phase II fund releases are reviewed to determine if additional match can be applied.

District Notification

The match is applied by administrative journal (State apportionment is reduced and district contribution increased).

The district is notified by letter of the match application. Attached to the letter is a copy of the administrative journal. The district is re-

Reductions in the Match

Introduction

requested to move the amount of the match application to its lease-purchase fund for that project prior to the release of any additional State funds. ☺

Form SAB 505W

The maximum matching share required for a project or projects may be reduced in several ways. The deductions are cumulative. Reductions in the match apply to the following:

- interim housing and essential toilet facilities
- relocatable classroom facility utilized to reduce the 30 percent relocatable requirement per Education Code Section 17749
- administrative expenses incurred for collection of developer fees
- community facilities formed for the purpose of school construction (must meet the requirement of SB 1528)

Interim Housing

The district must prepare and submit the *Form SAB 505W, Match Interim Housing Eligibility Worksheet* for reductions in the match. The form is self-explanatory, however, for assistance contact the Match Unit of the OLA or call (916) 322-5315.

Interim Housing Eligibility

A deduction may be made for the lease or lease-purchase of interim housing and essential toilet facilities *during the match period* from the proceeds of the fee levied during that period.

This deduction is limited to expenditures for classroom facilities needed to house the difference between a three-year and a five-year estimated average daily attendance (ADA) projection determined each fiscal year utilizing the CBEDS enrollment report.

Maximum Interim Housing Reductions

Districts must be eligible for new construction to qualify for this deduction. Additionally, the *amount expended to supplement the State's allowance for interim facilities under the modernization and/or reconstruction programs may not be claimed as a reduction in the match.*

The maximum deduction for each eligible interim classroom per year shall be \$12, 654.00. This amount, to be adjusted biennially for inflation, represents one-seventh of the average cost for the SAB to build a new classroom of 960 square feet. Contact the Match Unit for changes in the maximum amounts.

If the district does not claim the maximum expenditure each year for the eligible interim classroom(s), it may deduct the difference in expenditures made for non-classroom interim facilities, as long as the

Essential Toilet Facilities

total expenditures reported for both do not exceed the maximum deduction for interim classrooms.

Relocatable Classroom Facility

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The maximum deduction for essential toilet facilities per year shall be \$34.27 per square foot. This amount, to be adjusted biennially for inflation represents one-seventh of the average cost for the SAB to build new toilet area. Contact the Match Unit for changes in the maximum amounts.

Maximum Relocatable Classroom Facility Reductions

A deduction in the match representing the amount expended to purchase, within two years prior to Phase III (construction apportionment), a relocatable classroom facility is provided under the following circumstances:

- the relocatable was utilized to reduce the 30 percent relocatable requirement in Education Code Section 17749;
 - the relocatable was purchased by the district and included in the area of adequate school construction; and
 - the expenditure does not include interest.
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Community Facilities

The maximum deduction for a relocatable classroom facility is \$92.27 per square foot. This amount, to be adjusted biennially for inflation represents the average cost for the SAB to build new classroom area. Contact the Match Unit for changes in the maximum amounts.

If the district does not claim the maximum allowable deduction, it may deduct expenses for moving *those* relocatable classrooms to the site where the 30 percent reduction was made as long as the total expenditures claimed for both do not exceed the square footage allowance noted above. The district must provide an itemized cost detail of the expenditure reports at final audit.

If the district has community facilities formed for the purpose of school construction, it may be eligible for additional reductions in the match. Please contact the Match Unit of the OLA at:

Office of Local Assistance, Match Unit

**Prior Contractual
Obligations**

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Administrative Expenses

If the district has contractual obligations incurred prior to January 1, 1987 for school facilities a reduction in the match for this amount may be allowed. Any increases in facilities shall be included in the area of existing adequate housing pursuant to Education Code Section 17705.7

Reductions in the match for amounts reflecting reasonable administrative expenses incurred for the collection of developer fees may be allowed. The amount cannot exceed three percent of fees collected during the period pursuant to Education Code Section 17705.5. ☺
